(c) whether any persons of financial institutions or firms have been held responsible for such illegal transactions and malpractices and if so, the details thereof; and

(d) whether the Hawala money was found to have been used in Kerala for any anti-national activities and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) The information is being collected and will be laid on the Table of the House.

Tax treaties with other countries

2871. SHRI RAJEEV SHUKLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that India has recently initiated talks with Japan for a tax treaty;

(b) if so, the details thereof;

(c) whether there are other countries as potential candidates for such bilateral tax treaties and whether Government propose to discuss possibilities of tax treaties with those countries; and

(d) if so, the details of such interactions and the scope of such treaties?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. The existing tax treaty between India and Japan was notified *vide* Notification No.GS 101(E) dated 01.03.1990. The talks have been initiated for renegotiation of this treaty.

(b) The negotiations with the Japanese official delegation have already commenced.

(c) Yes, Sir. Government of India has so far entered into treaties with 69 countries. There are some other countries which are potential candidate for such bilateral tax treaties and negotiations have commenced with some of these countries.

(d) The process of entering into tax treaties have commenced in the case of 21 countries as per annexed Statement. (*See* below). The tax treaties are entered into by Government of India with a foreign government

by virtue of power vested under Section 90 of the Income Tax Act. These treaties are entered for granting relief in respect of income on which taxes have been paid both in India and the other country or to avoid double taxation on income chargeable under the Indian Act and the foreign countries' Act and to promote mutual economic relations, trade and investment. These agreements also provide for exchange of information for prevention of evasion or avoidance of income tax and also for recovery of income tax.

Statement

List of countries with whom there is no tax treaty but negotiations are underway

Sl.No.	Name of country
1.	Croatia
2.	Serbia and Montenegro
3.	Slovakia
4.	Mexico
5.	Azerbaijan
6.	Latvia
7.	Lithuania
8.	Albania
9.	Kuwait
10.	Saudi Arabia
11.	Uruguay
12.	Botswana
13.	Chile
14.	Senegal
15.	Ethiopia
16.	Mozambique
17.	Lao PDR
18.	Venezuela
19.	Nigeria
20.	Bahrain
21.	Algeria